

CITY OF ALAMEDA

Memorandum

To: Honorable Mayor and
Members of the City Council

From: John A. Russo
City Manager

Date: September 20, 2011

Re: Acknowledge Rent Increase and Construction Concerns at 2445 Shoreline Drive and Authorize the Mayor to Send a Letter Encouraging the Owner to Comply with the Rent Review Advisory Committee Recommendations

BACKGROUND

The Rent Review Advisory Committee (RRAC) was formed in 1979 to review complaints of significant rental increases. The RRAC provides a neutral forum for renters and residential property owners to present their views, evaluates increases, and determines whether proposed increases are equitable, and, if not, attempts to mediate a resolution acceptable to all parties.

The RRAC's operating guidelines provide that if an owner is unwilling to participate in the rent mediation process and/or unwilling to agree to the RRAC's recommendation, the owner or the tenant can request that the City Council hear the concerns of the parties involved. The City Council can then either affirm the RRAC's recommendation or provide its own recommendation.

DISCUSSION

2445 Shoreline Drive is an 88-unit building owned by the Margaret M. Tam Trust. The tenant in unit #102 filed a Rent Increase Complaint (RIC) with the RRAC (Exhibit 1). The RRAC first reviewed the \$150/month rent increase, from \$1,600 to \$1,750.00 (9% annualized), and maintenance concerns at its June, 6, 2011 meeting. The tenant described on-going construction issues including lack of access to her own apartment, including her balcony, and stairwells in the common areas, along with excessive noise. Given reduced access to her apartment over the 8-10 months of the 12-month lease, she believes that the rent increase was excessive. The RRAC concurred and recommended that the rent increase be limited to \$25-\$50 a month.

The property owner's representative, Mr. Spencer Tam, and property manager Pam Jones, attended the meeting but did not agree to the recommendation by the RRAC. Following the June 6 meeting, Ms. Jones sent a letter to the RRAC stating the renter had agreed to the \$1,750 per month rent, on a month-to-month basis. The tenant has stated that she is paying the increased rent amount under protest. The RRAC asked for

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further participation in the mediation process from the owner and property manager, encouraging them to attend the July 6, 2011 meeting. Neither the property owner nor property manager attended the July meeting, although the renter was in attendance. Therefore, the renter has requested that the City Council consider her RIC.

When the owner actively participates in a positive mediation process, the Committee has been able to craft a variety of compromises. Examples include establishing tiers of increases based on differing renters' longevity or the owner paying moving costs for a renter relocating to a smaller unit within the complex. Without owner attendance and participation, the RRAC has been unable to mediate this excessive rent increase.

The owner is unwilling to reduce the amount of the rental increase of \$150 / month to the \$25 - \$50 a month increase recommended by the RRAC. The reduced rent increase was recommended due to the lengthy construction period, in excess of eight months on a 12-month lease, and reduced access to amenities during that time (balcony, swimming pool, stairwells, etc.) and because the property manager at the time of the initial lease indicated that the expected rent increase at the end of the lease term would be \$25-\$50, not the \$150 rental increase that was received. Given the RRAC's inability to successfully mediate the case, it is requested that the City Council authorize the Mayor to send the attached letter (Exhibit 2) to the owner encouraging compliance with the RRAC's recommendation.

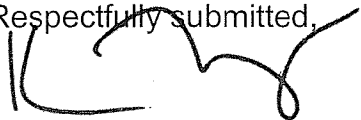
FINANCIAL IMPACT

There is no financial impact from acknowledging the excessive rent increase at 2445 Shoreline Drive #102 and encouraging the owner to comply with the RRAC's recommendations.

RECOMMENDATION

Acknowledge rent increase and construction concerns at 2445 Shoreline Drive and authorize the Mayor to send a letter encouraging the owner to comply with the Rent Review Advisory Committee recommendations.

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'KM' followed by a stylized flourish.

Karen Miller, Chair
Rent Review Advisory Committee

By:

A handwritten signature in black ink, appearing to read 'Debbie Potter', with a stylized, flowing script.

Debbie Potter
Housing Development & Programs Manager

Exhibits:

1. RIC
2. Draft letter from Mayor to Property Owner

cc: Owner

Tenant

Rental Housing Association of Northern Alameda County

RRAC Members

CITY OF ALAMEDA
RENT REVIEW ADVISORY COMMITTEE
(510) 747-4316 – (510) 522-7538 – TDD
FAX: (510) 864-0879
RENTAL INCREASE COMPLAINT

PLEASE RETURN BY THE 20th OF THE MONTH TO ENSURE THAT CASE CAN BE HEARD AT THE NEXT MEETING. OWNER AND MANAGER WILL RECEIVE MEETING NOTICE AND COPY OF FORM.

1. Renter's Name MARTHA HANIS / EDWARD HANIS
2. Address 2445 SHORELINE DR. #102
3. How long at above address? 1 YEAR 4. Phone: (H) 510 217-8773
Lease X Month-to-Month _____ (W) _____
5. RENTAL HISTORY DATES (Month & Year) AMOUNT
A. Effective date of new rent 6/1/2011 \$ 1750.00
B. Present rent: From 5/2010 to 6/1/2011 \$ 1600.00
C. Former rent: From _____ to _____ \$ _____
D. Former rent: From _____ to _____ \$ _____
6. Do you receive Section 8 Housing Choice Voucher rental assistance? No X Yes _____
7. In the past 18 months, has the building changed ownership? Yes _____ No _____ Don't Know X
8. Have all the units had rent increases? Yes _____ No _____ Don't Know X
9. Number of Units in building? 88 Stories 3 Approximate Age 40 YEARS?
10. Check utilities included in rent: Gas X Electricity _____ Water X Cable TV _____
11. Check information concerning your unit:
A. Furnished? Yes _____ No X
B. How many Bedrooms? 2
C. How many Baths? 2
D. Number of occupants when you moved in? Adults 2 Children _____ Pets _____
E. Current number of occupants? Adults 2 Children _____ Pets _____
F. Amenities: Elevator X Parking: Off Street _____ Covered _____ Garage X
Security Building _____ Pool X (heated) _____ Other _____
12. Maintenance of Building: Excellent _____ Good _____ Poor X
13. Owner's Name: ? Phone 510-521-2247
Address: _____
14. Manager's Name: PAM JONES Phone _____
Address: SAME

SIGNATURE Martha Hanis DATE 5/13/2011

PLEASE COMPLETE OTHER SIDE

PLEASE RETURN THIS FORM TO:

Rent Review Advisory Committee
Attn: Susie Brown
701 Atlantic Avenue
ALAMEDA, CA 94501

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Please briefly state your reason for bringing this case to the Rent Review Advisory Committee.

- CURRENT MARKET, CONDITION OF FACILITIES AND A PAINT JOB DO NOT SUPPORT A 9.38% INCREASE IN RENT.
- ON GOING (8 MOS. +) OF CONSTRUCTION/DISRUPTION OF ENTIRE COMPLEX INCLUDING LIMITED OR NO ACCESS TO RENTED UNIT, WALKWAYS, ENTRANCES/EXITS AND PARKING.
- LACK OF SECURITY IN GENERAL AND EXISTING PROBLEMS WITH WATER AND GARBAGE SERVICE.
- ITS A SUB-STANDARD COMPLEX WITH A GREAT VIEW.

Please list any maintenance problems inside your house or apartment and any problems on the outside of the building.

- WATER HEATER (8 MIN. H2O RUNNING TO GET HOT H2O AT TIMES)
- SMOKE DETECTORS
- BATHROOM FAN
- CLOSET DOORS (1 SET WAS REPLACED)
- CABINET MAGNETS IN KITCHEN (2 DOORS SWING OPEN)
- OVERALL AGE + CONDITION OF APPLIANCES + APT.

OUTSIDE

- DANBEROUS WALK-WAY
- TRICKY LOCKS
- CALL BOX
- POOR LIGHTING
- POOR SECURITY (DOORS + GATES OPEN)
- OVER-FLOWING GARBAGE /DUMPING

Comments or other relevant information:

MY FATHER IS 79 YRS OLD. I HAVE A PART-TIME JOB AND AM HIS FULL-TIME CAREGIVER. HE IS A CANCER PATIENT AND IS MOSTLY HOME BOUND EXCEPT FOR APPOINTMENTS AT ALAMEDA HOSPITAL. HE HAS BORNE THE BRUNT OF THE 8 MOS + CONSTRUCTION. WE WERE TOLD IN SEPT 2010 THAT IT WOULD BE

G:\RRAC\Admin\RIC March10.doc

2-3 MONTHS. AFTER MONTHS OF JACK HAMMERING, SCAPPODING, LOSS OF PRIVACY AND TWICE AFTER CHEMOTHERAPY AND DR. APPTS. NOT BEING ABLE TO EVEN

September 21, 2011

Margaret M. Tam Trust
Property Owner
529 Mia Isabella Court
Henderson, NV 89052-7815

Subject: RRAC Case #290 – 2445 Shoreline Dr. #102, Alameda

Dear Ms. Tam:

The Rent Review Advisory Committee (Committee) was formed in 1979 to review and advise renters, owners, and the City Council regarding excessive rent increases. At the September 20, 2011, City Council meeting, the Committee reported its unsuccessful attempts to mediate a renter's concerns about a substantial rent increase at your above-noted property. This letter is an appeal to you, as an Alameda Property owner, to act responsibly.

The City Council is particularly concerned by your failure to attend a second Committee meeting to attempt to resolve the complaint. Your attendance at the initial Committee meeting allowed Committee members to hear your point of view as an owner, but unfortunately the Committee was not successful in mediating a resolution of the complaint. The Committee members are owners, renters and a homeowner, ensuring that the mediation can proceed in a balanced forum.

The Committee appreciates that small periodic rental increases, reflecting owners' rising cost and increased market pressures, are to be expected to allow for fair return on investment. However, property owners must also recognize the value of responsible long-term renters versus frequent turnovers. It is difficult for renters to meet rent increases at the levels you have imposed. We urge you to cooperate with the Committee to avoid displacing Alameda families.

The City Council adopted the Committee's recommendation and hereby acknowledges that the rent increase is excessive and places an unfair burden on the renter. We encourage you to comply with the suggestions contained in the Committee's June 10, 2011 letter to reduce the rent increase.

The City Council supports the Committee in encouraging property owners to charge fair rent and maintain their properties. We believe that such policies benefit the City of Alameda as a whole. We hope you will rethink your position and make the rent adjustments recommended by the Committee and the City Council.

Sincerely,

Marie Gilmore
Mayor

MG:KM:sb

Enclosure

**City Council
Exhibit 2 to
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